

Job Satisfaction And Turnover Crisis In Malaysia's Hospitality Industry

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Turnover crisis reducing has been highlighted as a remarkable research theme in the hospitality industry. Regardless of the significant number of studies on employee turnover, it remains a vague issue and requires further research. It is well known that the service industry is highly dependent on the "human factor" which has become a major part of the hospitality product. The aim of this study is to give a clearer idea of enhancing employment factors to reduce the turnover crisis. Mobley's model (1977) determined how job dissatisfaction can lead to job turnover. The results of this study will show that improving the work environment and increased wages, by analyzing the internal and external factors, could decrease the turnover crisis. An intention to stay within the hospitality organization amongst, unacceptable working conditions, poor training and low salaries could lead to higher employee turnover.

Key words: hospitality, labour, turnover, crisis

Introduction

Hospitality is considered one of the fastest global rising industries, contributing to more than one third of the service business (ILO, 2010, cited in Bharwani, 2012). It has embraced the service industry model: service intangibility, production and consuming inseparability, and the heterogeneity between customers and service suppliers (Kusluvan *et al.*, 2010). Primarily, the hospitality industry strongly depends on the human factor and direct contact with customers. Human resources become the major role of the product, playing a decisive part in enhancing the organizational image (Bharwani & Butt, 2012). Literature reviews have argued that employee turnover rates are usually affected by employee dissatisfaction with the overall work environment, working conditions, and wages (Tracey & Hinkin, 2008). Many scholars have studied the causes which probably lead employee decision with regard to quitting. The search for other jobs in other industries in order to evaluate and compare the working environment may give an employee the intention to seek other employment opportunities (Lee, 1988). The cost of turnover greatly impacts other companies (Tracey & Hinkin, 2008). The purpose of this paper is to identify factors affecting hospitality labour to turn over. First, discusses the employment factors

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affecting job satisfaction. Second, a brief rehearsal of literature concerning to this factor leading to a turnover, and finally, present outcomes of this research.

Methodology

This study attempts to review existing literature on hospitality and tourism employment, employee turnover, employment factors, and employee satisfaction. It proposes the Mobley model (1977), and a theoretical framework explaining the relationship between job satisfaction and employee satisfaction on service quality and customer loyalty. To enrich the discussion, the results of theoretical studies undertaken by the authors have been used. This paper is a conceptual and used secondary data from published journals within hospitality human resource management to reinterpret the existing concepts (Chaudhary, 1991).

Literature Reviews

Employment Factors and Turnover Crises

Many researchers studied the impact of work satisfaction on hospitality employees. Bharwani and Butt (2012) evaluated the challenges in the hospitality organizations and its impact on labors. According to Davies *et al.* (2001) performance appraisal, remuneration and training are very important human resource practices in the Australian hotels, they asserted that the commitment to the organization could be better when adapting a suitable human resource (HR) system, Improving good labor relations and quality of service. Lauver and Kristof-Brown (2001) investigate the relationship between employees' perceptions of person-job (P-J) and person-organization (P-O) fit, they find a unique impact of (P-O) and (P-J) on job satisfaction and intent to quit.

Meanwhile other scholars explored the factors affecting employee turnover, job satisfaction, and the impact of satisfaction on the employee turnover at Amari Hotels in Thailand (Ronra & Chaisawat, 2010). They highlighted the relationship between employee satisfaction with hotel service, working environment, Growth and possibility of growth, work itself, and with the overall satisfaction, then suggest a guideline to improve the employees' job satisfaction and reduce the turnover rate.

A clear roadmap was reviewed by WeiBo *et al.* (2010) who evaluated the work of previous scholars and chart the roadmap through research in core employee retention, The finding of this study illustrated an integrative model of relationship which argues that performance character may lead to drag inclination.

As an unsteady industry, hospitality is a human-based industry, therefore, many researches have done since the last few decades. Studies like Kuria *et al.* (2012) which focus on job resentment, untoward working situation, stress, long working hours with minimal pays and lack training programs as an internal and external causes of labour turnover in Nairobi hotels.

From their point of view, Fair (1992), Kivela and Go (1996), Shaw (2011) reviewed the flourishing literature on turnover rates and dimensions of organizational performance with a reviewing of a methodological application of total quality management (TQM) needs. By studying the unacceptable high labour turnover and analyzing a secondary data from past studies they found that turnover rate content plays a role in the extent and shape of the relationship between turnover rates and organizational performance and influences distal measures through decreased

productivity and losses in human capital, they asserted that structural and organizational changes occur in organizations which embrace TQM and influence quality processes.

Several scholars like Angel and Cannella (2004) study the wage factor as an intent to turnover, they argue that the efficiency wage model developed by Yellen (1984), can be incorporated with other turnover theories, the outcomes were harmonious with the efficiency wage model. While other researchers see for example MacIntosh and Doherty (2010), Martin (2011), Lam *et al.* (2003), Robinson and Beesley (2010) make an argument about intention to quit explaining that by the psychological method that an employee goes and start thinking about quitting by searching other alternative jobs due to some gauge of resentment with their present job position. Bowen and Siehl (1997, p.60) asserted March & Simon' (1958) study by explaining "The ultimate decision to leave results when job dissatisfaction is at a level sufficient that the employee has reached a decision on the desirability of movement and the perceived ease of movement". In his study on labour turnover Price (1977) noted that, huge amount of money spent to develop new programs to solve problems, using directing pointers to predict the turnover issues before they become a critical matter.

Extensive studies have shown that the Mobley model (1977) which determined and explained how job dissatisfaction can lead to job turnover, yields seven consecutive stages between Job dissatisfaction and turnover rate (Lee, 1988). Mobley believed that job dissatisfaction can lead to career change thinking and has evaluated the advantages when searching for another job, taking into consideration the cost of quitting, employees who seek other employment evaluate the new job for acceptability, Finally, an employee compares the alternatives with the current job which also leads to the intention to quit causing ultimate employee turnover rates (Lee, 1988; Martin, 2011). For further information the Figure1 will illustrate Mobley model (1977) idea.

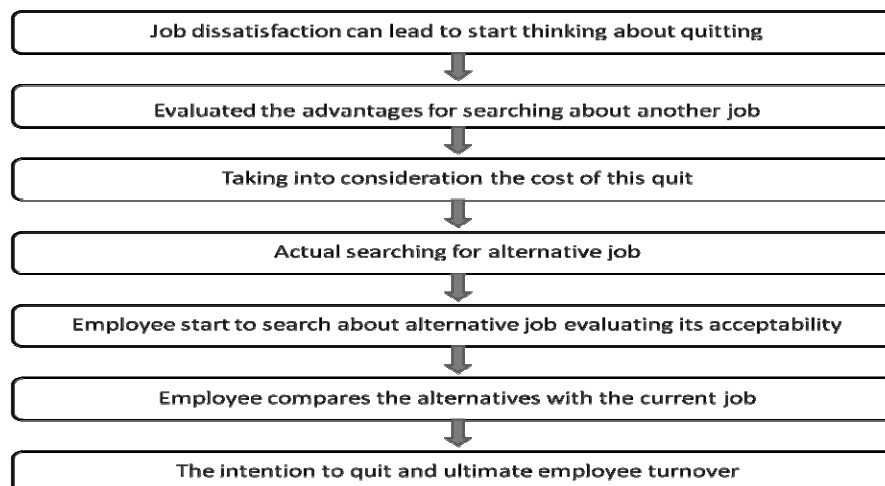


Figure 1: Adopted from Mobley model (1977). Source: (Mobley, 1982)

The Mobley model is not being offered as a solid framework that all employees try similarly; some of them may go beyond specific. Hence, conclusive analysis on the factors enhancing employment to reduce turnover crisis may provide a solid database to enhance the Malaysian hospitality sector.

Theoretical Framework



Figure 2: The relationship between job satisfaction and employee satisfaction on service quality and customer loyalty

The above theoretical framework has been adopted from Mobley (1977) and developed by Kuria *et al.* (2012), WeiBo *et al.* (2010) and reviewed to produce a framework of all parts of employee satisfaction. Turnover has been defined by many researchers as the employees' movements who received monetary compensation from their employers within the labour market between organizations, jobs, and careers.

Many researchers, conceptual and empirical studies have highlighted the employees' responsibilities, training schedules, hotel-employees relations, work environment, and job satisfaction which leads to employee satisfaction. (Bonn & Forbringer, 1992), (Foong-ming, 2008), (Mobley *et al.*, 1979), (Tracey & Hinkin, 2008), (Williams & Hunter, 1992). Other scholars imply that the employees' performance in the work environment will be reflected in their job satisfaction and relations with the organization. Good work relations and job satisfaction will lead to employee retention, while bad environment will force the employee to decide quit from the job and turnover (Mobley *et al.*, 1978).

As stated before this theoretical framework discusses the effect of work environment and job relations on employees' satisfaction. Numerous researchers imply bad working conditions and low job satisfaction which leads to turnover, While the results of employee retention and service quality lead to customer loyalty (Cho *et al.*, 2006; Katou & Budhwar, 2007; Tsaur & Lin, 2004).

Finding And Discussion

Using the seven stage job turnover process, proposed by Mobley (1977) focusing on the process of job dissatisfaction which can lead to job turnover. Mobley (1977), suggested seven consecutive stages between job dissatisfaction and turnover. (Lee, 1988), this study focuses on Mobley model which could be used effectively in hospitality industry, this model shows different levels of turnover process from initially thinking about quitting as a result of job dissatisfaction to the intention to quit and ultimate employee turnover (Mobley, 1982; Robinson & Beesley, 2010; Tracey & Hinkin, 2008).

As stated before, This study discusses the Mobley' model and its application on the turnover process (see figure1). By using the summary of the literature review,

The key items were adopted from previous research by Kimungu and Maringa (2010), Kivela and Go (1996), Kuria *et al.* (2012), Ronra and Chaisawat (2010), Shaw (2011), Ton and Huckman (2008) which confirmed the process which leads the employee to turn over. According to past studies, an aggressive discussion was made concerning labour turnover, employee satisfaction, employee retention, its impact on customer satisfaction and the quality of provided services. These findings may be valuable for further research. The hospitality sector in Malaysia needs to focus on human resource awareness training and satisfaction to achieve work loyalty. Delivering high quality service can lead to re-visit in the future (Foong-ming, 2008; Richardson & Butler, 2011).

The previous studies clarified and analyzed the internal and external causes of labour turnover. The arguments and findings of the literature review can be used by the Malaysian hospitality sector to read the present human resource situation as well as plan for future improvements. It also, explains the effects of job satisfaction and work environment on turnover rates. This data will provide a suitable system to build a commitment to organizational-employees relations and quality of service provided to insure guest retention.

Conclusion

This paper has presented and interpreted the effective factors of enhancing employment in order to reduce the turnover in the Hospitality sector. The intensive literature review was made an extensive discussion about the labour turnover crisis, employee dissatisfaction, and the employees retention impact on the customer satisfaction and service quality. The intention to stay within the hospitality organization amongst, unacceptable working conditions, poor training and low salaries could lead to a higher employee turnover. It is widely recognized that by adopting Mobley model (1977), A clearer idea was presented to enhance the employment factors for reducing the turnover crisis; determining how job satisfaction can lead to employee retention and in addition; how job dissatisfaction can lead to turnover crisis. Furthermore, increasing the wages and reinforcing work situation could consolidate the relationships between hospitality employees within their industry followed by a reduction in turnover. The reverberation of these results will be valuable for tourism and hospitality sector to consider turnover crisis as an important issue.

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